

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NAVITAS KY NG, LLC FOR)	
APPROVAL TO BOOK AS A REGULATORY ASSET)	CASE NO.
ITS COST ASSOCIATED WITH ITS DISTRIBUTION)	2012-00089
INTEGRITY MANAGEMENT PROGRAM)	

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION TO
NAVITAS KY NG, LLC

Navitas KY NG, LLC ("Navitas"), pursuant to 807 KAR 5:001, is to file with the Commission the original and eight copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Navitas shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Navitas fails or refuses to furnish all or part of the requested information, it shall provide

a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. In its Application, Navitas is requesting approval to record as a regulatory asset the costs associated with preparing and implementing its Distribution Integrity Management Program ("DIMP plan"). The proposed contract with Tri-Star Energy Consultants ("Tri-Star") indicates that, in addition to the DIMP plan, Tri-Star will also prepare an Operations and Maintenance Manual, Emergency Manual, and Public Awareness Plan. Confirm that Navitas is requesting approval to record as a regulatory asset the costs associated with all four documents.

2. Provide the estimated cost of the regulatory compliance documentation to be prepared by Tri-Star for the Albany, Kentucky gas system which Navitas is seeking to record as a regulatory asset.

3. Discuss the impact on the estimated cost provided in Item 2 if the contract with Tri-Star only covered the Albany, Kentucky system.

4. Confirm that Navitas will pay Tri-Star monthly for 63 months resulting in the estimated cost provided in Item 2.

a. If confirmed, provide the estimated monthly amount that Navitas will pay for the Albany, Kentucky gas system documentation.

b. Given that it appears the cost of the regulatory asset will be incurred over a 63-month period, explain how and when Navitas will record the

regulatory asset on its books. Provide the accounting entries and the frequency with which the entries will occur.

5. Refer to Exhibit C attached to Navitas' filing of June 6, 2012.

a. Explain whether Navitas has executed the proposed contract with Tri-Star.

b. Explain whether Tri-Star has begun development of the documentation specified in the proposed contract for the Albany, Kentucky gas system. What is the estimated completion date?

c. When Navitas acquired the Albany, Kentucky gas system from Gasco Distribution Systems, Inc., was the regulatory compliance documentation that Navitas has contracted with Tri-Star to prepare in existence? If so, explain why new documentation is necessary.

6. Refer to Navitas' response to Commission Staff's First Request for Information, Item 5.

a. Provide the most current financial statements available for 2012 for the Albany, Kentucky gas system.

b. Refer to the Profit and Loss statement provided with this response. Explain fully the line items labeled NUC-Operations and NUC-Asset billing.



Jeff Derouen
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DATED SEP 26 2012

cc: Parties of Record

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